



Montana Legislative History

Chapter: 29 Session L: 2005

Bill Number: 168 **House**

Checklist of Bill History

History and Final Status Sheet	x
Introduced Bill	X
Fiscal Note	N/A
Third Reading Bill	X
Final Version of Bill	X

House

Committee:
Business and
Labor

Hearing Date(s):
[Jan. 12, 2005](#)

Conference Committee

Hearing Date(s): n/a

Conference Committee Report:

Compiler Notes

Compiled by: sg

Date: 3/22/2024

Notes:

Senate

Committee:
Business, Labor and Economic Affairs

Hearing Date(s):
[March 4, 2005](#)

Bill Draft Number: LC1043

Bill Type - Number: HB 168

Short Title: Revise laws governing insurance guaranty association

Primary Sponsor: Arlene Becker (D) HD 52

Chapter Number: 29

Bill Actions - Current Bill Progress: Became Law

Bill Action Count: 39

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
Chapter Number Assigned	03/18/2005			
(H) Signed by Governor	03/18/2005			
(H) Transmitted to Governor	03/11/2005			
(S) Signed by President	03/11/2005			
(H) Signed by Speaker	03/10/2005			
(H) Returned from Enrolling	03/10/2005			
(C) Printed - New Version Available	03/10/2005			
(H) Sent to Enrolling	03/08/2005			
(S) Returned to House	03/08/2005			
(S) 3rd Reading Concurred	03/08/2005	49	0	
(S) Scheduled for 3rd Reading	03/08/2005			
(S) 2nd Reading Concurred on Voice Vote	03/07/2005	50	0	
(S) Scheduled for 2nd Reading	03/07/2005			
(S) Committee Report--Bill Concurred	03/04/2005			(S) Business, Labor, and Economic Affairs
(S) Committee Executive Action--Bill Concurred	03/04/2005	10	0	(S) Business, Labor, and Economic Affairs
(S) Hearing	03/04/2005			(S) Business, Labor, and Economic Affairs
(S) Referred to Committee	02/21/2005			(S) Business, Labor, and Economic Affairs
(S) First Reading	02/21/2005			
(H) Transmitted to Senate	01/15/2005			
(H) 3rd Reading Passed	01/15/2005	90	0	
(H) Scheduled for 3rd Reading	01/15/2005			
(H) 2nd Reading Passed	01/14/2005	100	0	
(H) Scheduled for 2nd Reading	01/14/2005			
(H) Committee Report--Bill Passed	01/13/2005			(H) Business and Labor
(H) Committee Executive Action--Bill Passed	01/12/2005	18	0	(H) Business and Labor
(H) Hearing	01/12/2005			(H) Business and Labor
(H) Referred to Committee	01/05/2005			(H) Business and Labor

(C) Introduced Bill Text Available Electronically	12/21/2004
(H) Introduced	12/21/2004
(C) Pre-Introduction Letter Sent	12/01/2004
(C) Draft in Assembly/Executive Director Review	12/01/2004
(C) Draft in Final Drafter Review	11/30/2004
(C) Bill Draft Text Available Electronically	11/29/2004
(C) Draft in Input/Proofing	11/29/2004
(C) Draft to Drafter - Edit Review [JLN]	11/29/2004
(C) Draft in Edit	11/29/2004
(C) Draft in Legal Review	11/29/2004
(C) Draft to Requester for Review	11/18/2004
(C) Draft Request Received	11/17/2004

Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name Mi
Requester	Economic Affairs Interim Committee	
Drafter	Petes	Greg
By Request Of	State Auditor	
Primary Sponsor	Becker	Arlene

Subjects

Description	Revenue/Approp. Vote Majority Req.	Subject Code
Insurance	Simple	INS
Liability (see also: Remedies; Torts)	Simple	LIA

Additional Bill Information

Fiscal Note Probable: No
Preintroduction Required: Y
Session Law Ch. Number: 29
DEADLINE
Category: General Bills
Transmittal Date: 03/01/2005
Return (with 2nd house amendments) Date: 04/06/2005

Section Effective Dates

Section(s) Effective Date Date Qualified

All Sections 18-MAR-05

CHAPTER NO. 28

[HB 128]

AN ACT PROVIDING THAT THE COMMISSION OR WARRANT OF AN OFFICER IN THE STATE'S ORGANIZED MILITIA MUST BE VACATED IF THE OFFICER IS CONVICTED OF A FELONY OR INCARCERATED IN A STATE OR FEDERAL CORRECTIONAL INSTITUTION; AND AMENDING SECTION 10-1-205, MCA.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 10-1-205, MCA, is amended to read:

"10-1-205. Vacating commissions or warrants. The commission or warrant of an officer ~~shall~~ *must* be vacated:

- (1) upon acceptance by the governor of the resignation of the officer; or
- (2) by an order of the governor discharging the officer:
- (a) for failure to maintain ~~his~~ *the officer's* qualifications for federal recognition;
- (b) upon the scheduled or actual termination or withdrawal of ~~his~~ *the officer's* federal recognition ~~where~~ *when* federal recognition is a prerequisite for continued service;
- (c) upon a change in federal reserve status ~~which~~ *that* makes ~~him~~ *the officer* ineligible ~~to continue assigned for continued assignment~~ to a unit of the organized militia;
- (d) for ~~his~~ *the officer's* absence from duty without leave for more than 3 months; ~~or~~
- (e) upon the recommendation of a board of examination or the sentence of a court-martial;
- (f) *upon conviction of a felony; or*
- (g) *upon final sentencing to confinement in a federal or state penitentiary or correctional institution as defined in 45-2-101."*

Approved March 18, 2005

CHAPTER NO. 29

[HB 168]

AN ACT REVISING THE LAWS GOVERNING THE MONTANA INSURANCE GUARANTY ASSOCIATION; REMOVING THE MINIMUM DOLLAR AMOUNT FOR A COVERED PROPERTY OR CASUALTY CLAIM; CLARIFYING THE IMMUNITY WITH RESPECT TO THE MONTANA INSURANCE GUARANTY ASSOCIATION; AMENDING SECTIONS 33-10-105 AND 33-10-110, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 33-10-105, MCA, is amended to read:

"33-10-105. General powers and duties. (1) The association:

(a) (i) is obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within 30 days after the determination of insolvency or before the policy expiration date if less than 30 days after the determination or before the insured replaces the policy or causes its cancellation if the insured does so within 30 days of the determination;

(ii) is obligated under subsection (1)(a)(i) only for that amount of each covered claim that ~~is in excess of \$100 and is less than~~ *does not exceed* \$300,000, except that:

(A) the association shall pay an amount not exceeding \$10,000 ~~per~~ *for each* policy for a covered claim for the return of unearned premium; and

(B) the association shall pay the full amount of any covered claim arising out of a workers' compensation policy; and

(iii) is not obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises;

(b) is considered the insurer to the extent of its obligation on the covered claims and to that extent has all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent;

(c) shall investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligation and deny all other claims and may review settlements, releases, and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which the settlements, releases, and judgments may be properly contested;

(d) shall notify persons as the commissioner directs under 33-10-109(2)(a);

(e) shall handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the commissioner, but the designation may be declined by a member insurer.

(f) shall reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association and shall pay the other expenses of the association authorized by this part.

(2) The association may:

(a) employ or retain persons as are necessary to handle claims and perform other duties of the association;

(b) borrow funds necessary to effect the purposes of this part in accord with the plan of operation;

(c) sue or be sued;

(d) negotiate and become a party to contracts as are necessary to carry out the purpose of this part;

(e) perform other acts as are necessary or proper to effectuate the purpose of this part;

(f) refund to the member insurers in proportion to the contribution of each member insurer to the association that amount by which the assets of the association exceed the liabilities; if, at the end of any calendar year, the board of

directors finds that the assets of the association exceed the liabilities of the association as estimated by the board of directors for the coming year.”

Section 2. Section 33-10-110, MCA, is amended to read:

“33-10-110. Immunity. There ~~shall be no~~ *is not any* liability on the part of and ~~no~~ *a* cause of action of any nature ~~shall arise~~ *may not be brought* against any member insurer *or its agents or employees*, the association ~~or its insurance producers~~ *the association’s agents or employees*, the board of directors, or the commissioner or ~~his~~ *the commissioner’s* representatives for any action taken by them in the performance of their powers and duties under this part.”

Section 3. Effective date. [This act] is effective on passage and approval.

Approved March 18, 2005

CHAPTER NO. 30

[HB 171]

AN ACT CONFORMING WITH FEDERAL INCOME TAX LAW BY EXTENDING THE DUE DATE FOR FILING A MONTANA INDIVIDUAL INCOME TAX RETURN BY A PERSON, AND BY THE PERSON'S SPOUSE, SERVING IN A COMBAT ZONE OR A CONTINGENCY OPERATION; CLARIFYING THE DEFERMENT OF TAXES FOR A PERSON IN MILITARY SERVICE; AMENDING SECTION 15-30-313, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-30-313, MCA, is amended to read:

“15-30-313. Soldiers’ and sailors’ relief Deferment of taxes for person in military service — filing of return. (1) The collection from ~~any~~ *a* person in the military service, as defined by the Soldiers’ and Sailors’ Civil Relief Act of 1940, effective October 17, 1940 *section 511 of the Servicemembers Civil Relief Act, 50 App. U.S.C. 511*, as amended October 6, 1942, of ~~any the tax prescribed by the state on the income of such person imposed by 15-30-103, whether falling due prior to or during his the person’s period of military service, shall must be deferred for a period extending not more than 6 months~~ *180 days* after the termination of ~~his the person’s~~ *the person’s* period of military service if ~~such the person’s~~ *such the person’s* ability to pay ~~such the tax~~ *the tax* is materially impaired by reason of ~~such~~ *the* military service.

(2) ~~No interest~~ *Interest and penalty* on any amount of tax, ~~collection of which that is deferred for any period under this section and 15-30-314 or this section; and no penalty for nonpayment of such amount during such period shall may not accrue for such the period of deferment by reason of such nonpayment.~~ The running of any statute of limitations against the payment of ~~such the tax~~ *the tax* by any lawful means ~~shall must~~ *must* be suspended for the period of military service of any ~~individual person~~ *individual person* for whom the collection of ~~such the tax~~ *the tax* is deferred under this section and for an additional period of 1 year beginning with the day following the period of military service.

(3) *In accordance with the provisions of section 7508 of the Internal Revenue Code, 26 U.S.C. 7508, the individual income tax return of a person, and the person’s spouse, serving in a combat zone or participating in a contingency*

HOUSE BILL NO. 168

INTRODUCED BY A. BECKER

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING THE MONTANA INSURANCE GUARANTY ASSOCIATION; REMOVING THE MINIMUM DOLLAR AMOUNT FOR A COVERED PROPERTY OR CASUALTY CLAIM; CLARIFYING THE IMMUNITY WITH RESPECT TO THE MONTANA INSURANCE GUARANTY ASSOCIATION; AMENDING SECTIONS 33-10-105 AND 33-10-110, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-10-105, MCA, is amended to read:

"33-10-105. General powers and duties. (1) The association:

(a) (i) is obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within 30 days after the determination of insolvency or before the policy expiration date if less than 30 days after the determination or before the insured replaces the policy or causes its cancellation if the insured does so within 30 days of the determination;

(ii) is obligated under subsection (1)(a)(i) only for that amount of each covered claim that ~~is in excess of \$100 and is less than~~ does not exceed \$300,000, except that:

(A) the association shall pay an amount not exceeding \$10,000 ~~per~~ for each policy for a covered claim for the return of unearned premium; and

(B) the association shall pay the full amount of any covered claim arising out of a workers' compensation policy; and

(iii) is not obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises;

(b) is considered the insurer to the extent of its obligation on the covered claims and to that extent has all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent;

(c) shall investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligation and deny all other claims and may review

1 settlements, releases, and judgments to which the insolvent insurer or its insureds were parties to determine the
2 extent to which the settlements, releases, and judgments may be properly contested;

3 (d) shall notify persons as the commissioner directs under 33-10-109(2)(a);

4 (e) shall handle claims through its employees or through one or more insurers or other persons
5 designated as servicing facilities. Designation of a servicing facility is subject to the approval of the
6 commissioner, but the designation may be declined by a member insurer.

7 (f) shall reimburse each servicing facility for obligations of the association paid by the facility and for
8 expenses incurred by the facility while handling claims on behalf of the association and shall pay the other
9 expenses of the association authorized by this part.

10 (2) The association may:

11 (a) employ or retain persons as are necessary to handle claims and perform other duties of the
12 association;

13 (b) borrow funds necessary to effect the purposes of this part in accord with the plan of operation;

14 (c) sue or be sued;

15 (d) negotiate and become a party to contracts as are necessary to carry out the purpose of this part;

16 (e) perform other acts as are necessary or proper to effectuate the purpose of this part;

17 (f) refund to the member insurers in proportion to the contribution of each member insurer to the
18 association that amount by which the assets of the association exceed the liabilities; if, at the end of any
19 calendar year, the board of directors finds that the assets of the association exceed the liabilities of the
20 association as estimated by the board of directors for the coming year."

21
22 **Section 2.** Section 33-10-110, MCA, is amended to read:

23 **"33-10-110. Immunity.** There ~~shall be no~~ is not any liability on the part of and ~~no a~~ cause of action of
24 any nature ~~shall arise~~ may not be brought against any member insurer or its agents or employees, the
25 association or ~~its insurance producers~~ the association's agents or employees, the board of directors, or the
26 commissioner or ~~his~~ the commissioner's representatives for any action taken by them in the performance of their
27 powers and duties under this part."

28
29 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

30 - END -

HOUSE BILL NO. 168
INTRODUCED BY A. BECKER
BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING THE MONTANA INSURANCE GUARANTY ASSOCIATION; REMOVING THE MINIMUM DOLLAR AMOUNT FOR A COVERED PROPERTY OR CASUALTY CLAIM; CLARIFYING THE IMMUNITY WITH RESPECT TO THE MONTANA INSURANCE GUARANTY ASSOCIATION; AMENDING SECTIONS 33-10-105 AND 33-10-110, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-10-105, MCA, is amended to read:

"33-10-105. General powers and duties. (1) The association:

(a) (i) is obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within 30 days after the determination of insolvency or before the policy expiration date if less than 30 days after the determination or before the insured replaces the policy or causes its cancellation if the insured does so within 30 days of the determination;

(ii) is obligated under subsection (1)(a)(i) only for that amount of each covered claim that ~~is in excess of \$100 and is less than~~ does not exceed \$300,000, except that:

(A) the association shall pay an amount not exceeding \$10,000 ~~per~~ for each policy for a covered claim for the return of unearned premium; and

(B) the association shall pay the full amount of any covered claim arising out of a workers' compensation policy; and

(iii) is not obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises;

(b) is considered the insurer to the extent of its obligation on the covered claims and to that extent has all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent;

(c) shall investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligation and deny all other claims and may review settlements, releases, and judgments to which the insolvent insurer or its insureds were parties to determine the extent to

which the settlements, releases, and judgments may be properly contested;

(d) shall notify persons as the commissioner directs under 33-10-109(2)(a);

(e) shall handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the commissioner, but the designation may be declined by a member insurer.

(f) shall reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association and shall pay the other expenses of the association authorized by this part.

(2) The association may:

(a) employ or retain persons as are necessary to handle claims and perform other duties of the association;

(b) borrow funds necessary to effect the purposes of this part in accord with the plan of operation;

(c) sue or be sued;

(d) negotiate and become a party to contracts as are necessary to carry out the purpose of this part;

(e) perform other acts as are necessary or proper to effectuate the purpose of this part;

(f) refund to the member insurers in proportion to the contribution of each member insurer to the association that amount by which the assets of the association exceed the liabilities; if, at the end of any calendar year, the board of directors finds that the assets of the association exceed the liabilities of the association as estimated by the board of directors for the coming year."

Section 2. Section 33-10-110, MCA, is amended to read:

"33-10-110. Immunity. There ~~shall be no~~ is not any liability on the part of and ~~no~~ a cause of action of any nature ~~shall arise~~ may not be brought against any member insurer or its agents or employees, the association ~~or its insurance producers~~ the association's agents or employees, the board of directors, or the commissioner ~~or his~~ the commissioner's representatives for any action taken by them in the performance of their powers and duties under this part."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

- END -

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JIM KEANE**, on January 12, 2005 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Jim Keane, Chairman (D)
Rep. Kathleen Galvin-Halcro, Vice Chairman (D)
Rep. Joe McKenney, Vice Chairman (R)
Rep. Elsie Arntzen (R)
Rep. Bob Bergren (D)
Rep. Tim Dowell (D)
Rep. Kevin T. Furey (D)
Rep. Ralph Heinert (R)
Rep. Llew Jones (R)
Rep. Mike Jopek (D)
Rep. Harry Klock (R)
Rep. Scott Mendenhall (R)
Rep. Mike Milburn (R)
Rep. Don Roberts (R)
Rep. Wayne Stahl (R)
Rep. Dan Villa (D)
Rep. Jonathan Windy Boy (D)

Members Excused: Rep. Dave Gallik (D)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 168, 1/7/2005; HB 180, 1/7/2005;
HB 175, 1/7/2005; HB 207, 1/7/2005;
HB 202, 1/7/2005

Executive Action:

HEARING ON HB 168

Opening Statement by Sponsor: REP. ARLENE BECKER (D), HD 52,
opened the hearing on **HB 168**, Revise laws governing insurance
guarantee association.

00:01:48

Proponents' Testimony:

00:04:57 Patrick Driscoll, State Auditor's Office

[EXHIBIT](#) (buh08a010.PDF)

00:06:11 Larry Kibbee, Property Casualty Ins. of America

00:07:12 Mona Jamison, Attorney

00:08:46 Frank Cote, Silver Tip Consulting

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:09:51 None

Closing by Sponsor:

00:10:04

HEARING ON HB 180

Opening Statement by Sponsor: REP. BOB LAKE (R), HD 88, opened
the hearing on **HB 180**, Revise certain business filing procedures.

Proponents' Testimony:

00:12:37 Mark Simonich, Secretary of State's Office

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:17:56 None

Closing by Sponsor:

00:18:05

HEARING ON HB 175

Opening Statement by Sponsor: REP. JILL COHENOUR (D), HD 78,
opened the hearing on **HB 175**, Allow insurer to withhold court
order restitution for theft of Worker's Compensation benefits.

00:18:59

[**EXHIBIT**](#) (buh08a020.PDF)

Proponents' Testimony:

00:20:29 Matthew Cohen, Montana State Fund

00:24:48 Doug Nulle, Retired Worker's Comp Attorney

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:25:59

Closing by Sponsor:

00:29:26

HEARING ON HB 207

Opening Statement by Sponsor: REP. JOE MCKENNEY (R), HD 18,
opened the hearing on **HB 207**, Revise definition of security for
estate purposes.

00:31:24

Proponents' Testimony:

00:32:35 Neil Severinson, Wells Fargo Bank

00:35:22 Steve Turkiewicz, Montana Bankers Association

00:36:17 Keith Colbo, Independent Bankers

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:37:24

Closing by Sponsor:

00:39:10

HEARING ON HB 202

Opening Statement by Sponsor: REP. ART NOONAN (D), HD 73, opened the hearing on HB 202, Revise payroll processing for terminating employees.

00:40:20

Proponents' Testimony:

00:41:43 Randy Morris, Department of Administration

EXHIBIT(buh08a030.PDF)

Opponents' Testimony:

00:44:55 Darrell Holzer, AFL-CIO

00:47:06 Don Judge, Teamsters Union

Informational Testimony: None

Questions from Committee Members and Responses:

00:49:14

Closing by Sponsor:

01:09:56

EXECUTIVE ACTION ON HB 168

Motion/Vote: REP. GALVIN-HALCRO moved that HB 168 DO PASS.

Motion carried unanimously.

EXECUTIVE ACTION ON HB 207

Motion/Vote: REP. MCKENNEY moved that HB 207 DO PASS. Motion

carried unanimously.

EXECUTIVE ACTION ON HB 145

Motion: REP. DOWELL moved that HB 145 DO PASS.

Discussion:

01:35:04

Vote: Motion failed 1-17 with JOPEK voting aye.

Motion/Vote: REP. MCKENNEY moved that HB 145 BE TABLED AND THE VOTE REVERSED. Motion carried 17-1 with JOPEK voting no.

ADJOURNMENT

Adjournment: 9:40 A.M.

REP. JIM KEANE, Chairman

KYANNE KELLY, Secretary

JK/KK

EXHIBIT (buh08aad)

MINUTES

MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC AFFAIRS

Call to Order: By **CHAIRMAN VICKI COCCHIARELLA**, on March 4, 2005
at 9:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Vicki Cocchiarella, Chairman (D)
Sen. Joe Balyeat (R)
Sen. Duane Grimes (R)
Sen. Dave Lewis (R)
Sen. Glenn Roush (D)
Sen. Frank Smith (D)
Sen. Carolyn Squires (D)
Sen. Donald J. Steinbeisser (R)
Sen. Bill Tash (R)
Sen. Joseph (Joe) Tropila (D)

Members Excused: Sen. Jon Tester (D)

Members Absent: None.

Staff Present: Annie Glover, Committee Secretary
Pat Murdo, Legislative Branch
Audio Technician

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 156, 3/1/2005; HB 188, 3/1/2005;
HB 168, 3/1/2005; HB 300, 3/1/2005
Executive Action: HB 168, HB 300

00:00:00

HEARING ON HB 156

Opening Statement by Sponsor:

REP. TERESA HENRY (D), HD 96, opened the hearing on **HB 156**,
Revise disability insurance for reciprocity.

Proponents' Testimony:

00:04:58 **Ms. Alicia Pichette, State Auditor's Office**

EXHIBIT(bus48a01)

00:09:19 **Ms. Pat Wise, Montana Nurse's Association**

EXHIBIT(bus48a02)

00:09:49 **Ms. Tanya Ask, Blue Cross Blue Shield of Montana**

Opponents' Testimony:

00:11:43 **Ms. Angela Huschka, New West Health Services**

EXHIBIT(bus48a03)

00:14:16 **Mr. Frank Cote, America's Health Insurance Plans**

Informational Testimony:

00:16:42

Questions from Committee Members and Responses:

Mr. John Holbrook, Compliance Specialist, State Auditor's Office

00:56:45

Closing by Sponsor:

01:00:36

HEARING ON HB 188

Opening Statement by Sponsor:

REP. BOB BERGREN (D), HD 33, opened the hearing on **HB 188**,
Generally revise insurance laws.

EXHIBIT(bus48a04)

Proponents' Testimony:

01:02:48 **Ms. Alicia Pichette, State Auditor's Office**

EXHIBIT(bus48a05)

EXHIBIT(bus48a06)

01:13:08 **Mr. Peter Funk, Reinsurance Association of America**

EXHIBIT(bus48a07)

01:16:57 **Ms. Tanya Ask, Blue Cross Blue Shield of Montana**

EXHIBIT(bus48a08)

01:19:09 **Mr. Stuart Doggett, Montana Land Title Association**

01:21:23 **Ms. Mona Jamison, Montana Life and Health
Insurance Guaranty Association**

01:22:31 **Mr. Don Allen, Montana Association of Insurance
and Financial Advisors**

01:24:40 **Ms. Angela Huschka, New West Health Services**

01:24:58 **Ms. Riley Johnson, Enterprise Rent-a-Car**

Opponents' Testimony: None.

Informational Testimony: None.

01:25:40

Questions from Committee Members and Responses:

01:42:45

Closing by Sponsor:

SEN. ROUSH will carry HB 188 on the Senate Floor.

01:43:57 Break.

02:01:12 Resume.

02:01:19

HEARING ON HB 168

Opening Statement by Sponsor:

REP. ARLENE BECKER (D), HD 52, opened the hearing on **HB 168,**
Revise laws governing insurance guaranty association.

Proponents' Testimony:

02:03:28 **Ms. Alicia Pichette, State Auditor's Office**

EXHIBIT(bus48a09)

02:06:13 **Mr. Dwight Easton, Farmers Insurance**

02:07:28 **Mr. Peter Funk, American Insurance Association**

Opponents' Testimony: None.

Informational Testimony: None.

02:08:03

Questions from Committee Members and Responses:

02:08:09

Closing by Sponsor:

SEN. ROUSH will carry HB 168 on the Senate Floor.

02:09:08

HEARING ON HB 300

Opening Statement by Sponsor:

REP. DAVE GALLIK (D), HD 79, opened the hearing on **HB 300**, Continuing education for insurance adjusters.

Proponents' Testimony:

02:10:46 **Mr. John Bandy, Insurance Adjuster**

EXHIBIT(bus48a10)

Opponents' Testimony: None.

Informational Testimony:

02:15:20 **Ms. Alicia Pichette, State Auditor's Office**

02:15:53

Questions from Committee Members and Responses:

02:29:58

Closing by Sponsor:

02:32:13

EXECUTIVE ACTION ON HB 168

Motion/Vote: SEN. ROUSH moved that HB 168 BE CONCURRED IN.
Motion carried unanimously by voice vote.

02:32:55

EXECUTIVE ACTION ON HB 300

Motion: SEN. SQUIRES moved that HB 300 BE CONCURRED IN.

Discussion:

Vote: Motion carried 6-4 by voice vote with SEN. BALYEAT, SEN. GRIMES, SEN. LEWIS, and SEN. TASH voting no.

ADJOURNMENT

Adjournment: 11:00 A.M.

SEN. VICKI COCCHIARELLA, Chairman

ANNIE GLOVER, Secretary

VC/ag

Additional Exhibits:

EXHIBIT ([bus48aad0.PDF](#))



Protecting Montana's consumers through insurance and securities regulation

Modification to the Guaranty Association Statutes

HB 168 – Sponsored by Rep. Arlene Becker

This bill would change two sections of existing statute relating to the Montana Insurance Guaranty Association.

The association is created by Montana law to protect insurance policyholders in the event of a failure or insolvency of an insurance company. Generally, the guaranty association consists of all insurers in the Property and Casualty Insurance business in Montana. They are required to pay an assessment that is imposed periodically on each company doing this type of insurance business in Montana if one or more of their members goes out of business by insolvency. These assessments are computed and charged to cover the costs of paying claims of policyholders of companies that have become insolvent. In this way the association and its member companies act as a safety net for policyholders of insolvent property and casualty insurers.

House Bill 168 would make two statutory changes requested by the Montana Insurance Guaranty Association and submitted by request of the State Auditor and Commissioner of Insurance and Securities.

- First, it eliminates a \$100 deductible on claims against the Association. This means that when claims are made under existing law, i.e. 33-10-105(1)(a)(ii) the guaranty association only pays claims above \$100 and less than \$300,000. The association proposes paying all claims that do not exceed \$300,000 by eliminating the \$100 deductible.
- Second, the bill would change the statute that provides immunity for the association and its members, their employees and agents, and the commissioner and commissioner's representatives for actions they take administering the guaranty system. The present statute provides immunity from liability during performance of their duties in administering the insurance guaranty law, but this amendment would change the immunity section to be identical to the immunity section for the Life and Health Guaranty Association provided in 33-10-207 and adopted by the 2003 legislature. The only substantive change is to extend the immunity granted by the section to agents and employees of the Association.

History of HB 168:

The Interim Committee on Economic Affairs approved this bill for drafting.

Passed the House Business and Labor Committee on a vote of 18-0.

Passed 2nd reading in the House unanimously 100-0.

Passed through the House easily on a final vote of 90-0.

MONTANA SENATE
2005 LEGISLATURE

ROLL CALL

BUSINESS AND LABOR

DATE 3/4/05

NAMES	PRESENT	ABSENT	EXCUSED
SEN. VICKI COCCHIARELLA (D), CHAIRWOMAN	X		
SEN. JOE TROPILA (D), VICE CHAIRMAN	X		
SEN. JOE BALLYEAT (R)	X		
SEN. DUANE GRIMES (R)	X		
SEN. DAVE LEWIS (R)	X		
SEN. GLENN ROUSH (D)	X		
SEN. FRANK SMITH (D)	X		
SEN. CAROLYN SQUIRES (D)	X		
SEN. DONALD STEINBEISSER (R)	X		
SEN. BILL TASH (R)	X		
SEN. JON TESTER (D)			X
PAT MURDO, LSD	X		
ANNIE GLOVER, COMMITTEE SECRETARY	X		



SENATE STANDING COMMITTEE REPORT

March 4, 2005

Page 1 of 1

Mr. President:

We, your committee on **Business, Labor, and Economic Affairs** recommend that **House Bill 168** (third reading copy -- blue) **be concurred in.**

Signed: _____

Vicki Cocchiarella
Senator Vicki Cocchiarella, Chair

To be carried by Senator Glenn Roush

- END -

Committee Vote:
Yes 10, No 0.

481153SC.ssc

KF



SENATE STANDING COMMITTEE REPORT

March 4, 2005

Page 1 of 1

Mr. President:

We, your committee on **Business, Labor, and Economic Affairs** recommend that **House Bill 300** (third reading copy -- blue) **be concurred in.**

Signed: _____

Vicki Cocchiarella
Senator Vicki Cocchiarella, Chair

To be carried by Senator Vicki Cocchiarella

- END -

Committee Vote:
Yes 6, No 4.

481154SC.ssc

KJ

**MONTANA STATE SENATE
2005 LEGISLATURE**

VISITOR REGISTER

BUSINESS AND LABOR

DATE 3/4/05 BILLS BEING HEARD TODAY HB 156, HB 168,
HB 188, HB 300

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Riley Johnson	443-3797	Enterprise Rent A Car	188	X	
Roger McGlen	442-9553	IIAM	188	X	
John Holbrook	444-3612	SAO	156	X	
Angela Huschka	457-2291	New West Health Svcs	156		X
Angela Huschka	457-2291	NWHS	188	X	
Lee C. Fitch	443-3124	MT Trial Lawyers	300	X	
John A. Bandy	442-6867	MT State Adjusters	300	X	
FRANK COLE	3-9070	RHIP	156		X
John Cole	240-5010	Farmers Ins	188	✓	
DAVID JOHNSON	442-5581	MT Life & Accident Svcs	188	✓	
Don Olsen	443-7530	MTAIFA	188	✓	
Larry Ask	444-8297	Blue Cross Blue Shield	188 Amend	✓	
Stuart Duggitt		MT Land Title Assn	156	✓	
Alicia Pichette		SAO	188	✓	
Peter Funk	442-0230	Reinsurance Ass. Amer.	188	✓	
"	"	ACLI	188	✓	
"	"	AIFA	188	✓	
Alicia Pichette		SAO	156	✓	
		SAO	168	✓	
		SAO	300		

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

VISITOR REGISTER

BUSINESS AND LABOR

DATE _____ **BILLS BEING HEARD TODAY** _____

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY